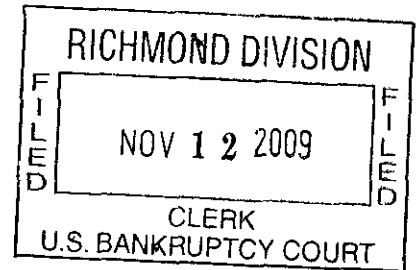


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**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

IN RE:

CHAPTER 11

**CIRCUIT CITY STORES, INC.
INC., a Delaware corporation, et al.**

§

Case No. 08-35653-KRH

§

§

Debtors

Jointly Administered

**OBJECTION OF CERTAIN TEXAS TAXING AUTHORITIES TO CONFIRMATION
OF CIRCUIT CITY STORES, INC. AND ITS AFFILIATED DEBTORS AND DEBTORS
IN POSSESSION AND ITS OFFICIAL COMMITTEE OF CREDITORS HOLDING
GENERAL UNSECURED CLAIMS' FIRST AMENDED JOINT PLAN OF
LIQUIDATION DATED SEPTEMBER 24, 2009**

**To: The Honorable Kevin R. Huennekens:
United States Bankruptcy Judge**

Arlington ISD, Alief ISD, Baybrook MUD 1, Brazoria County, Brazoria County MUD #6, Burleson ISD, Carroll ISD, City of Cedar Hill, City of Hurst, City of Lake Worth, City of Wichita Falls, Clear Creek ISD, Fort Bend ISD, Fort Bend LID 2, Fort Worth ISD, Galena Park ISD, Hidalgo County & H.C. Drainage District #1, Humble ISD, Lubbock CAD, McAllen ISD, Midland County Tax Office, Potter County Tax Office, McAllen ISD, Tyler ISD, Wichita County, Wichita Falls ISD, Woodlands Metro MUD, and Woodlands RUD #1 ("Arlington ISD, et al"), secured creditors and parties in interest, by counsel, file the following Objection to the First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors

5. In early 2009 the Debtors, upon hearing and with the Courts' authorization, and certain taxing entities, primarily in Texas, stipulated (Exhibit "A") that:

"1. The Debtors shall reserve proceeds from the Sales of the Claimed Collateral as set forth on Exhibit A hereto (the "Reserved Proceeds") pending resolution of the amount, extent, validity and priority of the Objectors' liens, if any, against the Claimed Collateral, subject to all defenses, claims and/or counterclaims, or setoffs as may exist with respect to the Claim (sic) Collateral. Upon the set aside of such Reserve Proceeds, the liens, if any, of the Objectors shall attach to said proceeds to the same extent, with the same priority and with the same validity as such Objectors currently hold in the subject collateral.

2. Until the Claimed Amounts, as set forth on Exhibit A including any interest as allowed pursuant to the Bankruptcy Code, are paid, or the parties hereto shall agree otherwise, the Debtors shall maintain the Reserved Proceeds in a separate account and the Objectors' liens, if any, shall continue against the Reserved Proceeds in accordance with the terms of this Stipulation. These Reserved Proceeds may not be released apart from the agreement between the Debtors, the Objectors and the DIP Agent, or upon subsequent order of the Court duly noticed to the Objectors. Notwithstanding the Debtors' entry into this Stipulation, the Debtors reserve all rights with respect to the Claimed Amount and the Objectors' interests, if any, in the Claimed Collateral."

6. Arlington ISD, et al, have not agreed to the release of the Reserved Proceeds, and have not received notice of any motion of the Debtors or the DIP Agent requesting such release.

Proposed Plan Treatment

7. The Plan appears to provide for payment of Arlington ISD, et als' claims under one of two provisions:

a) Article III A.2., Unclassified Claims, Priority Tax Claims. This section provides for the payment of Allowed Priority Tax Claims in regular installment cash payments, occurring not less frequently than quarterly over a period not exceeding five (5) years after the Petition Date plus interest at the Case Interest Rate, or as otherwise agreed in writing by the Holder of the claim and the Debtors and/or the Liquidating Trustee, provided however that the Liquidating Trustee shall have the right to pay any Allowed Priority Tax Claim in full at any time on or after

10. Arlington ISD, et al, object to confirmation of the Plan to the extent that it permits the disparate treatment of claims in the same class.

11. Arlington ISD, et al, object to confirmation of the Plan to the extent it permits the debtors to elect to pay the taxes over or at the end of an extended period, in the event their claims are determined to be Allowed Priority Tax Claims. In this instance Arlington ISD, et al assert that they should be paid in full as soon as practicable after their claims are Allowed the since it appears that the Debtors have effectively liquidated all of their property in Texas and are holding sufficient funds in a segregated account to pay their claims, and no good reason exists that requires them to wait further for payment.

12. Arlington ISD, et al, object to the confirmation of the Plan to the extent that it provides for payment of any claims to creditors, including Administrative Claims, of lower priority prior to the satisfaction in full of their secured tax claims.

13. Arlington ISD, et al, object to confirmation of the Plan to the extent that it permits or requires the deferral or avoidance of the payment of their claims based on the requirement that sufficient Available Cash to pay or reserve for the Face Amount of all Administrative Claims and the Face Amount of all Priority Tax Claims and/or the Face Amount of all Miscellaneous Secured Claims. As stated above, the Debtors and Arlington ISD have stipulated that Reserve Proceeds shall be maintained in a separate account, and should be paid to Arlington ISD, et al as soon as practicable after such claims become Allowed.

14. Arlington ISD, et al, object to confirmation of the Plan to the extent that it characterizes their claims, including taxes that accrue post petition, as anything but first priority secured Claims.

CERTIFICATE OF SERVICE

I hereby certify that on November 11, 2009, I electronically filed the foregoing Objection of Certain Texas Taxing Authorities to Confirmation of Circuit City Stores, Inc. and Its Affiliated Debtors and Debtors in Possession and Its Official Committee of Creditors Holding General Unsecured Claims' First Amended Joint Plan of Liquidation Dated September 24, 2009 with the United States Bankruptcy Court for the Eastern District of Virginia. On this same date, I served copies on the parties listed below via overnight mail.

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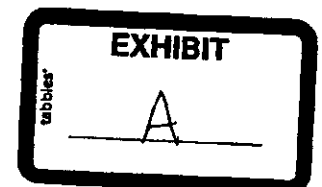
Counsel to the Debtors and
Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

- - - - - x
In re: : Chapter 11
: Case No. 08-35653 (KRH)
CIRCUIT CITY STORES, INC., :
et al., :
: Jointly Administered
Debtors. x

STIPULATION BETWEEN THE DEBTORS AND VARIOUS TAXING
AUTHORITIES RESOLVING THE TAXING AUTHORITIES'
OBJECTIONS TO THE ORDER APPROVING SALE OF DEBTORS'
ASSETS FREE AND CLEAR OF ALL INTERESTS AND GRANTING
RELATED RELIEF

WHEREAS, on November 10, 2008, the debtors and
debtors in possession in the above-captioned cases



Cedar Hill, City of Hurst, City of Lake Worth, City of Wichita Falls, Clear Creek ISD, County of Brazos, County of Comal, County of Denton, Fort Bend ISD, Fort Bend LID 2, Fort Worth ISD, Galena Park ISD, Hidalgo County & H.C. Drainage District #1, Humble ISD, Longview Independent School District, Lubbock CAD, Midland County Tax Office, Potter County Tax Office, Tyler ISD, Wichita County, Wichita Falls ISD, Woodlands Metro MUD, Woodlands RUD #1, Lewisville Independent School District, City of Waco/Waco Independent School District, Midland Central Appraisal District, Central Appraisal District of Taylor County, County of Williamson, Bexar County, Cameron County, Cypress-Fairbanks ISD, Dallas County, Ector CAD, El Paso, Fort Bend County, Frisco, Grayson County, Gregg County, Harris County, Irving ISD, Jefferson County, McAllen, McAllen ISD, McLennan County, Montgomery County, Nueces County, Rockwall CAD, Rockwall County, Round Rock ISD, San Patricio County, Smith County, South Texas College, South Texas ISD, Tarrant County and Tom Green CAD (the "Joint Objectors") filed a Joint Objection to the Motion (Docket Nos. 1548 and 1581);

with various parties, including the Objectors, resolving their objections to entry of the Order;

WHEREAS, the Debtors and the Objectors desire to resolve certain of their disputes; and

NOW, THEREFORE, in consideration of the foregoing, the Debtors and the Objectors agree and stipulate as follows:

1. The Debtors shall reserve proceeds from the Sales of the Claimed Collateral as set forth on Exhibit A hereto (the "Reserved Proceeds") pending resolution of the amount, extent, validity and priority of the Objectors' liens, if any, against the Claimed Collateral, subject to all defenses, claims and/or counterclaims, or setoffs as may exist with respect to the Claim Collateral. Upon the set aside of such Reserve Proceeds, the liens, if any, of the Objectors shall attach to said proceeds to the same extent, with the same priority and with the same validity as such Objectors currently hold in the subject collateral.

2. Until the Claimed Amounts, as set forth on Exhibit A including any interest as allowed pursuant to the Bankruptcy Code, are paid, or the parties hereto

Stipulation. No waiver or modification of any term or condition contained herein shall be valid or binding unless in writing and executed by the parties hereto.

5. This Stipulation may be executed and delivered in any number of original or facsimile counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

6. The United States Bankruptcy Court shall retain jurisdiction to hear and determine all matters arising from or related to this stipulation. This Stipulation shall be governed by title 11 of the United States Code and, to the extent not inconsistent, the laws of the Commonwealth of Virginia, without regard to Virginia's choice of law rules.

ACCEPTED AND AGREED TO BY:

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Douglas M. Foley (VSB No. 34364)
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804-775-1000

- and -

By:



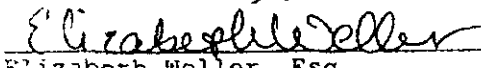
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Longview Independent School District, City of
Waco/Waco Independent School District, Midland
Central Appraisal District, Central Appraisal
District of Taylor County and County of Williamson

Dated:

Feb. 13, 2009

By:




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Fort Bend County, Frisco, Grayson County, Gregg
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McAllen, McAllen ISD, McLennan County, Montgomery
County, Nueces County, Rockwall CAD, Rockwall County,
Round Rock ISD, San Patricio County, Smith County,
South Texas College, South Texas ISD, Tarrant County
and Tom Green CAD

Dated:

2-13-09

By:


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Dated:

2/11/2009

By: /s/ W. Joel Charboneau

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Local Counsel for Palm Beach County, Florida

Dated:

February 26, 2009

Claimant	Claimed Amount	Claimed Collateral
Humble ISD	\$34,615.96	FFE, Inventory, Machinery, Computers, and Supplies
Lubbock CAD	\$84,857.49	FFE, Machinery
Midland County Tax Office	\$7,761.29	FFE, Inventory
Potter County Tax Office	\$91,021.50	Furniture, Inventory, Equipment
Tyler ISD	\$35,769.66	FFE, Inventory
Wichita County	\$14,915.75	FFE, Inventory Electronics & Data Processing, and Machinery
Wichita Falls ISD	\$41,210.72	FFE, Inventory Electronics & Data Processing, and Machinery
Woodlands Metro MUD	\$7,409.68	FFE, Inventory, Machinery, Computers, and Supplies
Woodlands RUD #1	\$18,477.42	FFE, Inventory, Machinery, Computers, and Supplies
Lewisville Independent School District	\$64,181.60	All Personal Property
Bell County	\$123,482.55	FFE, Inventory
County of Brazos	\$92,144.95	All Personal Property
County of Comal	\$81,436.80	All Personal Property
County of Denton	\$22,875.78	All Personal Property
Longview Independent School District	\$42,162.74	All Personal Property
City of Waco/Waco Independent School District	\$139,366.87	FFE, Inventory, Machinery, and Supplies
Midland Central Appraisal District	\$70,999.95	FFE, Inventory, Machinery, and Supplies

Claimant	Claimed Amount	Claimed Collateral
South Texas ISD	\$2,598.32	All Personal Property
Tarrant County	\$362,751.56	All Personal Property
Tom Green CAD	\$52,951.88	All Personal Property
Henrico County	\$1491.00	Vehicle
Henrico County	\$1,307,089.00	Furniture, Fixture, and Computers
Palm Beach County	\$84,353.26	All Personal Property